

HEADQUARTERS  
UNITED STATES EUROPEAN COMMAND  
APO 09128

DIRECTIVE  
NUMBER 50-5

24 Mar 95

COMPTROLLER

Relationships With External Audit Agencies

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1. Summary. This directive establishes policy and procedures for responding to the requirements of external audit agencies within Headquarters, U.S. European Command.

The primary external audit agencies of this headquarters are the U.S. General Accounting Office (GAO), and the Department of Defense Inspector General Office of the Assistant Inspector General For Auditing (DODIG).

2. Applicability.

a. This directive applies to all HQ USEUCOM organizational elements, directorates, and offices; and to subordinate joint activities including the George C. Marshall European Center For Security Studies, the Joint Analysis Center, the European Stars and Stripes, and security assistance organizations under the command and control of HQ USEUCOM.

b. This directive applies to all audits of HQ USEUCOM organizational elements as itemized above performed by external audit organizations.

c. External inspection activities of this headquarters, including those of the DODIG Assistant Inspector General For Inspections, are not addressed by this directive.

3. Internal Control Systems. This Directive contains internal control provisions and is subject to the requirements of the internal

management control program. For HQ USEUCOM and subordinate joint activities, the applicable internal control directive is ED 50-8, Internal Management Control Program.

4. Suggested Improvements. ECCM-F is the proponent for this directive. Forward suggested improvements to HQ USEUCOM, ATTN: ECCM-F, Unit 30400, Box 1000, APO AE 09128.

5. References.

a. DOD Directive 5106.1, Inspector General of the Department of Defense.

b. DOD Directive 7650.1, General Accounting Office Access to Records.

c. DOD Directive 7650.2, General Accounting Office Audits and Reports.

d. DOD Directive 7650.3, Followup on General Accounting Office, DOD Inspector General, and Internal Audit Reports.

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This Directive supersedes ED 50-5, 14 Dec 89; ED 50-7, 8 Dec 89; and ED 50-10, 27 Mar 90.

e. CJCS Instruction 5714.01, Release Procedures For Joint Staff and Joint Papers and Information.

## 6. Explanation of Terms.

a. Audit. A general term referring to any audit, survey, review, or evaluation performed by the GAO, DODIG, or other external audit agencies.

b. DODIG. Department of Defense Inspector General - Assistant Inspector General For Audits.

c. External Audit Agencies. Collective term that includes, but is not limited to, the GAO and DODIG.

d. GAO. General Accounting Office.

e. Office of Primary Responsibility (OPR). The HQ USEUCOM directorate/staff office assigned as the primary functional point of contact for a particular audit.

f. OPR Audit Action Officer. The individual within the OPR directorate/staff office who is assigned as the action officer for a particular audit.

## 7. Responsibilities.

a. The HQ USEUCOM Comptroller will:

(1) Serve as the designated USCINCEUR audit liaison point of contact for all external audit activities.

(2) Serve as the single initial point of contact for visits

of external audit agencies to HQ USEUCOM; subordinate joint activities; and the USEUCOM component commands when the audit activity pertains to joint service matters.

(3) Maintain liaison with external audit agencies for all visits to HQ USEUCOM; subordinate joint activities; and the USEUCOM component commands when the audit activity pertains to joint service matters.

(4) Inform the HQ USEUCOM staff, subordinate joint activities, and the component commands of proposed external audit agency activities.

(5) Assign, in coordination with the directorate executive officers, chiefs of staff offices, and the Secretary of the Joint Staff, the OPR for each audit. Generally, the OPR is the functional proponent for the primary audit subject of interest. In the case of dual or split proponentcy, the directorate or staff office having proponentcy for the predominate audit subject is generally assigned as the OPR.

(6) Coordinate the scheduling of and representation at audit entrance and exit conferences at HQ USEUCOM.

(7) Assist the HQ USEUCOM staff and subordinate joint activities with external audit agency administrative matters. These may include coordinating visit dates, clarifying the purpose and scope of proposed audits, and providing guidance regarding the release of information.

(8) Receive all audit reports furnished to HQ USEUCOM.

(9) Provide copies of audit reports to the OPR and to other staff offices and/or subordinate joint activities, as appropriate, for evaluation and comment.

(10) Assign internal suspense dates to facilitate timely HQ USEUCOM replies to audit reports.

(11) Monitor the status of required audit responses and followup actions.

(12) Assist OPRs with the followup procedures and the resolution of audit findings and recommendations.

(13) Maintain close contact with component command audit liaison points of contact regarding external audit agency activities of potential interest to the USCINCEUR.

(14) Maintain files of audit reports.

b. HQ USEUCOM directors/office chiefs, and chiefs of subordinate joint activities, will:

(1) Cooperate fully with external audit agencies.

(2) Provide appropriate working space, facilities, and administrative assistance to external audit agencies.

(3) Assign an OPR audit action officer for each audit for which the directorate/office or subordinate joint activity has been assigned as OPR. OPR audit action officers will be highly knowledgeable of the programs being audited.

(4) Ensure that OPR audit action officers and personnel briefing or participating in discussions with external audit agency representatives are thoroughly familiar with policies governing the release of information.

(5) Process auditors' requests for information in accordance with references 5a, 5b, and 5e and paragraph 9 of this directive.

(6) Maintain file copies of all draft and final audit reports, HQ USEUCOM responses, and followup correspondence for each audit for which the directorate/office or subordinate joint activity has been assigned as OPR.

(7) Review draft and final audit reports. Bring audit reports to the attention of the command group as appropriate.

(8) Prepare the HQ USEUCOM response to findings and recommendations addressed to the USCINCEUR for release by the Chief of Staff to the appropriate audit agency for each audit for which the directorate/office or subordinate joint activity has been assigned as OPR.

(9) Review responses from subordinate joint activities regarding findings and recommendations addressed to the subordinate activity, and prepare the command endorsement for release by the Chief of Staff to the appropriate external audit agency.

(10) Ensure that corrective actions required within HQ USEUCOM are completed for each audit for

which the directorate/office or subordinate joint activity has been assigned as OPR. Prepare HQ USEUCOM responses to external audit agency followup status inquiries.

(11) Provide HQ USEUCOM Inspector General command inspection teams with a summary of open findings and recommendations from audit reports and the status of followup corrective actions.

c. The HQ USEUCOM Inspector General will, during scheduled command inspections, evaluate the status of corrective actions taken by inspected activities in response to recommendations provided by external audit agencies.

d. HQ USEUCOM OPR Audit Action Officers will assist external audit agencies in completing audit objectives. Specific responsibilities (in addition to OPR responsibilities indicated in paragraph 7b above) include:

(1) Schedule audit entrance and exit conferences in coordination with external audit representatives. Notify ECCM of the date, time, place, and chairperson of the conference. Invite staff points of contact for the audit subject to the entrance and exit conference.

(2) Assist auditors in establishing functional points of contact within HQ USEUCOM and other activities.

(3) Monitor audit status through direct coordination with auditors, HQ USEUCOM directorates and staff offices, and component commands.

(4) Resolve questions regarding release of information to external audit agencies through coordination with ECLA and ECCM as appropriate.

(5) Raise any controversial issues which may arise during the course of the audit to the appropriate level of the chain of command and to ECCM.

e. Component commands will keep the HQ USEUCOM Comptroller informed of external audit activities within their commands related to joint activities which are of interest to theUSCINCEUR.

#### 8. Policies and Procedures.

a. ECCM is the initial point of contact within HQ USEUCOM for all audit related activities.

(1) External audit agencies will advise ECCM of proposed audits and reviews within the USEUCOM area of responsibility. Visit notification will generally indicate the dates, title, and planned scope of the audit or review, except where advance notification would defeat the purpose of the audit or review.

(2) Directors, office chiefs and chiefs of subordinate joint activities will refer any initial inquiries or notifications of proposed audit activities received directly from external audit agencies to ECCM.

b. USEUCOM representatives will:

(1) Cooperate with authorized external audit agencies to the fullest extent possible.

(2) Provide, within constraints described in paragraph 9 below, accurate and complete information to external audit agencies necessary to support audit objectives and enhance the validity of audit results.

(3) Provide a balanced view of all pertinent facets of the audited area.

(4) Respond constructively to audit report findings and recommendations, and take appropriate corrective action.

c. General/flag officers from the OPR will generally chair audit entrance and exit conferences conducted at HQ USEUCOM. Directors and staff office chiefs may arrange for the Chief of Staff to chair entrance and exit conferences, as appropriate. Exceptions to the general/flag officer requirement are:

(1) Chiefs of staff offices will generally chair audit entrance and exit conferences in those cases where the OPR is a staff office that is not headed by a general/flag officer.

(2) Directors may designate their principal deputies, or senior O-6 assigned to the directorate, to chair audit entrance and exit conferences in those cases where a general/flag officer is not reasonably available, and where the director determines that this would support USEUCOM interests.

d. OPRs will identify errors of fact or erroneous interpretations of audit results made by external audit agencies in audit summaries and reports at the earliest

opportunity during exit conferences or in written responses to audit reports, as appropriate.

e. OPRs will ensure that command responses to audit reports are provided as requested by external audit agencies within established suspense dates.

f. OPRs will expedite required corrective action on findings and recommendations contained in audit reports. The responsible HQ USEUCOM staff element will verify that appropriate corrective action taken, as reported to the external audit agency, is complete and correct. Additionally, the HQ USEUCOM IG will verify corrective action taken during scheduled command inspections of USEUCOM activities.

#### 9. Release of Information.

a. It is HQ USEUCOM policy to comply to the fullest extent possible to external audit agency requests for information consistent with DOD and JCS policy (references 5a, 5b, and 5e). Documents not originating from this headquarters may require notification and approval of the originator prior to release. Refer questions regarding release of documents to external audit agencies to ECCM.

b. Auditors of both GAO and DODIG have statutory authority for access to information. Law limits final denial authority to the President and the Secretary of Defense respectively.

c. OPRs will ensure that audit representatives possess the requisite security clearance and program access prior to providing

access to classified information to auditors of external audit agencies.

d. Various methods may be used to satisfy requests for information access and release by external audit agencies, including:

(1) Allowing the requestor to read specific portions of a document in a controlled environment.

(2) Allowing the requestor to read the entire document in a controlled environment.

(3) Providing extracts or summaries to the requestor.

(4) Providing the entire document to the requestor.

e. In most cases, requests by auditors of the GAO and DODIG for release of information can be satisfied routinely IAW DOD and JSC policy. However, certain GAO and DODIG requests for access to documents may be considered inappropriate within this headquarters for immediate release.

Such reasons may include the position that release of requested information is not authorized by DOD or JCS policy, or that the documents are outdated, perishable, out of context and subject to misinterpretation, or without apparent relation to the audit objectives. Requests for information will be resolved at the lowest level possible IAW the following guidelines:

(1) Where appropriate, the custodian of the documents will provide the requested documents, or excerpts of the requested documents, along with the necessary cautionary explanations, clarifications, or

interpretations, in writing, regarding the documents.

(2) Where the request for access to documents cannot be resolved by the above procedures, the audit action officer will refer the request through the chain of command. Division chiefs, chiefs of staff offices, and directors may determine that access is appropriate and authorize release of the documents to GAO or DODIG. Directors and chiefs of staff offices will refer GAO and DODIG requests for access to documents that cannot be resolved at their level to the Chief of Staff.

(3) The Chief of Staff has final authority within HQ USEUCOM to authorize release of information to the GAO and DODIG. Cases where the Chief of Staff recommends denial of access will be referred to the Joint Staff for resolution. OPR action officers will keep GAO and DODIG representatives informed of the status of their request.

#### 10. Processing Audit Reports.

a. Preliminary report materials.

(1) External audit agencies may provide OPRs with preliminary summaries of audit results. Such materials include GAO fact summaries and preliminary working drafts of audit reports. OPRs will make every effort to ensure the accuracy of such materials. The OPR will provide written or oral comments to such materials as appropriate. Formal written responses are not required.

(2) OPRs will inform external audit agencies that, inasmuch as

preliminary audit results are not official reports and do not reflect official audit agency views, HQ USEUCOM comments to such materials do not represent official HQ USEUCOM views, but an informal position based on facts presented. A formal HQ USEUCOM position on audit findings and recommendations can be provided only after examination of the official draft audit report.

b. Draft and Final Audit Reports.

(1) OPRs will prepare and staff the formal HQ USEUCOM response to all draft and final audit reports containing findings and recommendations addressed to the USCINCEUR. OPRs will give appropriate priority to meeting the suspense dates established for responding to audit reports. Formal HQ USEUCOM responses to external audit agency draft and final reports will be signed by the Chief of Staff.

(2) OPRs will fully consider the views of the USEUCOM component commands in the preparation of HQ USEUCOM responses to audit findings and recommendations. There is no requirement to obtain USEUCOM component command concurrence with HQ USEUCOM responses to audit findings and recommendations.

(3) Responses to draft and final audit reports will conform to the standard reply format provided by ECCM, and will comply with the following guidelines:

(a) The narrative will express explicit concurrence, partial concurrence, or nonconcurrence in each finding, recommendation, and estimate of monetary benefit.

(b) In cases of concurrence, the response will describe the corrective actions taken or planned, the completion dates for actions already taken, and estimated dates of completion for planned actions. When corrective actions are to be taken over an extended period of time, OPRs will establish milestone dates for major segments of the corrective action plan.

(c) In cases of partial concurrence, OPRs will state specifically which parts of the finding and recommendation are concurred in and which are not.

(d) In cases of nonconcurrence, OPRs will state specific reasons.

(e) OPRs may propose alternative methods to accomplish a recommendations's desired improvements. In the case of monetary benefits, OPRs may propose alternative calculations of benefits.

11. Audit Resolution and Followup.

a. ECCM will assist OPRs prepare correspondence to resolve disagreements between the external audit agency and HQ USEUCOM on audit findings and recommendations.

(1) Disagreements with GAO audit reports will be resolved by the assigned DOD Primary Action Officer as described in reference 5c. HQ USEUCOM input to the resolution process will be routed through the JCS to the DOD Primary Action Officer.

(2) Disagreements with DODIG audit reports will be referred for resolution to the Assistant DOD Inspector General for Audit Followup, who will mediate directly with HQ USEUCOM and the auditors involved.

b. External audit agencies periodically request information on the status of outstanding recommendations requiring corrective action. ECCM will forward such requests to the audit OPR for resolution.



FOR THE COMMANDER IN CHIEF:

OFFICIAL:

RICHARD F. KELLER  
Lieutenant General, USA  
Chief of Staff

SUSAN M. MEYER  
LTC, USA  
Adjutant General

DISTRIBUTION: D